

**Written Testimony
of the
Confederated Tribes of the Umatilla Indian Reservation
before the
U.S. Senate Committee on Indian Affairs**

Oversight Field Hearing on “Economic and Social Issues Affecting the Northwest Tribes”

**August 12, 2010
Puyallup, Washington**

The Confederated Tribes of the Umatilla Indian Reservation (“Confederated Tribes”) appreciates the opportunity to provide the Senate Committee on Indian Affairs with written testimony regarding its priorities on economic development and social issues. While the issues listed below are high priorities for the Confederated Tribes, please do not view this as an exhaustive list. Due to the broad subject matter involved, and the short amount of time afforded for developing written testimony, the Confederated Tribes requests the opportunity to supplement this written testimony to further expound upon the identified issues and identify further priority issues in subsequent discussions with tribal staff and policy bodies.

Following is a list of seven economic development and social issues that are of high priority to the Confederated Tribes:

1. Tribal Water Rights Settlements. There is an existing need for more resources to facilitate tribal water rights settlements and to fund the implementation of those settlements. The Confederated Tribes have learned from experience that substantially more resources are necessary to fund the required studies to quantify and negotiate a settlement of its reserved water rights. Additionally, as a “Palmer-Stevens” treaty tribe with water rights in many river basins, the Confederated Tribes and the Department of Interior have found unworkable the department’s policy that a tribe must bring a single comprehensive settlement to the table. Lastly, with a number of tribal water rights settlements pending before Congress and awaiting either authorization or funding, it is clear the Committee needs to demonstrate the importance of completing these settlements efficiently and expeditiously so that settlements in negotiation – such as that of the Confederated Tribes – are not delayed further. The Confederated Tribes support the Committee’s proposal to hold field and oversight hearings specifically on the status and experience of a tribes that provide working examples of tribes with implemented settlement, tribes with authorized but not completed settlement, and tribes in the process of negotiating a settlement. These case studies would help demonstrate the need for policy changes necessary to facilitate settlements, and increase the understanding of the import of Indian Water Rights Settlements to regional and national economic development and achieving national water supply certainty.

2. Tribal Tax Exempt Bond Authority. Tribal governments currently do not have the ability to issue tax exempt bonds, a basic economic development tool available to state and local governments. The Confederated Tribes supports amending the Indian Tax Status Act to make it clear that tribal governments have the same authority to issue tax exempt bonds as do state and local governments. This would permit tribes to finance facilities like golf courses, RV parks and campgrounds and public utilities using tax exempt financing as do state and local governments. Without the authority to issue tax exempt bonds, tribal governments are placed at a disadvantage with respect to economic development opportunities in comparison to state and local governments.
3. Tax Credits. Expanding on-reservation employment opportunities for tribal members is absolutely essential to improving their economic and social life. Attracting employers to the Umatilla Indian Reservation is critical to providing increased employment opportunities. As a means of inducing employers to locate on-reservation, the Confederated Tribes urges multi-year Congressional extension or renewal of both the Accelerated Depreciation Expense and the Indian Employment Tax Credit. Multi-year extension would provide private investors the necessary planning and negotiating time to utilize these credits in our shovel ready light industrial park. Without the multi-year extension investors cannot figure these incentives into any proposed projects.
4. Tribes Designated as Local Education Agency. The Confederated Tribes has chartered the Nixyaawii Community School on its Reservation with the Oregon State 16R School District. Due to a lack of state funding, the Confederated Tribes has provided annual subsidies to support the school. In order to improve the quality of education offered at Nixyaawii, there is a need for additional financial support. If Indian tribes could be included within the definition of Local Education Agencies under the Elementary and Secondary Education Act, tribes would have access to apply for more federal education grant funding to improve tribal educational facilities and programs.
5. Columbia River Treaty. The Confederated Tribes and 14 other tribes in the Columbia River Basin have met many times over that the past year to discuss common issues of concern and goals with respect to this Treaty between the U.S. and Canada, which formally operates only for purposes of flood control and power generation. This narrow focus has negatively impacted tribal resources and economies. The 15 tribes are seeking formal representation and participation on the Review Team that is conducting a multi-year review to develop options to provide the State Department with respect to terminating, renegotiating or continuing the Treaty, decisions the State Department must make prior to 2014. The goal is achieve consideration of ecosystem function on a par with flood control and power generation.
6. Cobell Settlement. The Confederated Tribes strongly encourages the Senate to approve the *Cobell* settlement (the House of Representatives has already approved it). If approved, the settlement would not only compensate individual Indians for past mismanagement of their Individual Indian Money accounts, but would also provide 2

billion dollars over a 10-year period towards the purchase of fractionated interests in allotted trust lands on Indian reservations. Those interests would be transferred to tribal ownership, facilitating consolidation of ownership on allotments and thus improving the ability of tribal governments to manage and use of reservation lands.

7. Law and Order. The Confederated Tribes closely monitored and provided testimony regarding the recently enacted Tribal Law and Order Act. Effective law and order is critical to social life on the Umatilla Indian Reservation as well as economic development. Because of the complex rules governing criminal jurisdiction for on-reservation crime, and given the large non-Indian population living within the checkerboarded Umatilla Indian Reservation, the enactment of the Law and Order Act represents a critical step toward improving federal and tribal prosecution of persons engaged in criminal activity on the reservation.

The Confederated Tribes reiterates that these seven issues are not intended to represent the full breadth of its priorities concerning economic development and social issues. We would appreciate the opportunity to follow up with additional written testimony for the Committee's consideration. Again, the Confederated Tribes appreciates this opportunity to provide input to the Committee regarding these important issues.